



# Employee Health Benefits

Indiana State Personnel Department  
Benefits Division



# Medical Plan Options

- Anthem Consumer Driven Health Plan 1
- Anthem Consumer Driven Health Plan 2
- Anthem Traditional PPO

All three plans are in the ***Blue Access PPO network.***



# Health Insurance

## Definitions

- Premium
  - The portion of the cost you pay for your elected health insurance plan.
- Deductible
  - A set amount that you are responsible for before your plan begins to pay for covered services.
- Out-of-Pocket Maximum
  - The total amount you will have to pay before the plan pays 100% of the cost for covered services.
  - Premiums do not count toward the out-of-pocket maximum. You must still pay your premiums if you meet your out-of-pocket maximum.



# What are Consumer Driven Health Plans? (CDHPs)

- A CDHP is a traditional health insurance plan that provides broad coverage for a wide range of services AFTER your deductible has been met.
- The CDHP requires you to pay a smaller premium than a traditional plan, but the deductible is larger than a traditional plan.
- You will have to pay the full negotiated cost of your covered services and prescriptions until you meet your deductible.



# What are Consumer Driven Health Plans? (CDHPs)

- Once the deductible has been met, the co-insurance begins. Anthem pays 80% and you pay 20% of the cost, for in-network services.
- Those enrolled in a CDHP are also eligible for a Health Savings Account, given other eligibility requirements are also met.



# Health Savings Accounts

- A special bank account owned by an individual to pay for current/future health expenses, once the coverage is effective.
- Exclusive to those enrolled in a CDHP.
- Contributions to the account remain tax free as long as the money in the account is used only to pay for eligible health expenses.
- Funds remain in your account from year to year.
- Funds are portable.
- Participation and contributions are optional.



# Health Savings Accounts

- HSAs are separate from your CDHP medical plan
- HSAs work exactly like a regular checking account
- Can use your HSA via:
  - Check
  - Debit card
  - In Person
  - Telephone
- You can use the money in your account to pay for medical expenses for yourself, your spouse, and your dependent children



# Health Savings Account

- You can use funds to pay medical expenses for any dependent, even if that person is not covered on your CDHP
- No time restriction on when you use funds, except that the medical service must have occurred after your HSA was opened
- Can have other authorized signers
- Can pay provider directly with your debit card or checks
- You can pay provider with other funds and then reimburse yourself from the account





# Health Savings Accounts

HSAs offer:

**Security** as CDHPs and HSAs protect you against high or unexpected medical bills

**Control** as you make all the decisions about how much money to put into the account and whether to save money for future expenses or pay for current expenses

**Portability** as you can keep your HSA if you change jobs, change medical coverage, become unemployed, or move to another state

**Tax Savings** with tax deductions when you contribute to the account, tax free earnings through investment, and tax free withdrawals for qualified expenses



# Health Savings Accounts

- Funds can be used for:
  - Qualified expenses which apply to your insurance deductible and out-of-pocket maximum
  - Allowable expenses which do not count toward your deductible, such as aspirin, OTC medicine, hearing aids and Lasik surgery (*Changes coming in 2011*)
- Non Allowable expenses include:
  - Premiums for your elected health insurance plan, gym memberships, nutritional supplements, etc.
- HSA Road Rules for more information
- Retain receipts for medical expenses
- There will be tax consequences if HSA funds are used for other purposes besides qualified medical expenses



# Health Savings Accounts

- For 2010, the maximum amount that can be contributed (and deducted) to an HSA from all sources is:
  - \$3,050 (employee only coverage)
  - \$6,150 (family coverage)
- Catch up provision for individuals over the age of 55 is \$1,000



# Health Savings Accounts

- You are not eligible to open or contribute to an HSA if you have:
  - Another medical insurance plan (*unless it is a qualified CDHP*)
  - Medicare (*Part A or Part B*)
  - Medicaid
  - Tricare
  - VA benefits received within the last 3 months



# Traditional PPO

- The Traditional PPO has a smaller deductible than the CDHPs.
- The deductible must be met before any co-insurance begins.
- Once the deductible has been met Anthem pays 80% and the employee pays 20%, for in-network services.
- Separate deductibles and out-of-pocket maximum amounts for In-Network and Out-of-Network services.



# How do the medical plans work?

- Seeing an in-network physician
  - As an enrollee you will have an Anthem ID card.
  - Present your Anthem ID card when you go to your physician.
  - Usually you will not pay at the time of service.
  - Your physician's office will file a claim with Anthem.



# How do the medical plans work?

- You and your provider will both receive an “Explanation of Benefits” from Anthem. This will show the Anthem network cost and also the amount that the provider may bill you, if not already paid.
- Your provider will send you a bill.
- You pay the network cost of service.



# In-network vs. Out-of-network

- Anthem has a broad network of health care providers that have contracted with Anthem and agreed to accept a certain amount as payment in full for specific covered services.
- Out-of-network providers have no contract with Anthem. They may charge more for specific services than what in-network providers will accept. Anthem only pays 60% of “network amount.”
- To find an in-network provider, go to: [www.anthem.com](http://www.anthem.com)
  - Look for providers in the **BLUE ACCESS PPO** network





# Out-of-network doctors

- It is okay if your doctor is out-of-network
- You can visit any licensed doctor
- You don't need a referral to see a specialist
- It will be more expensive if you go out-of-network
- You may have to file a claim yourself



# Pharmacy Benefits

- Medco is the carrier for pharmacy benefits for those enrolled in the Anthem plans.
- Price your prescriptions at: [www.medco.com](http://www.medco.com)
- Filling a prescription at a pharmacy:
  - Present your Anthem ID card at a network pharmacy.  
(Medco logo on the back of the card)
  - Pay the full network adjusted amount.
    - Shop around
    - Ask for generics
  - If deductible met, pay co-insurance amount.



# Preventive Services

- Preventive services are covered in full, before the deductible is met, for all three Anthem plans.
- Need to use a network provider.
- Covered services include, but are not limited to:
  - Physicals
  - Pap testing
  - Prostate exam
  - Immunizations
  - Mammogram
  - Well baby visits



# Plan Deductibles

	CDHP 1		CDHP 2		Traditional PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Single	\$2,500		\$1,500		\$500	\$1,000
Family	\$5,000		\$3,000		\$1,000	\$2,000



# Co-insurance

	CDHP 1		CDHP 2		Traditional PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Office Visit, Inpatient, Emergency Room, Urgent Care</b>	<b>20%</b>	<b>40%</b>	<b>20%</b>	<b>40%</b>	<b>20%</b>	<b>40%</b>
<b>Wellness and Prevention</b>	<b>0%</b> (No deductible)	<b>40%</b> (No deductible)	<b>0%</b> (No deductible)	<b>40%</b> (No deductible)	<b>0%</b> (No deductible)	<b>40%</b> (No deductible)

	<b>Retail Rx</b> (Up to a 30-day supply)	<b>Mail Order Rx</b> (Up to a 90-day supply)
	Standard co-pay	
<b>Generic</b>	<b>\$10 co-pay</b>	<b>\$20 co-pay</b>
<b>Formulary</b>	<b>20%</b> min \$30, max \$50	<b>20%</b> min \$60, max \$100
<b>Brand (Non-Formulary)</b>	<b>40%</b> min \$50, max \$70	<b>40%</b> min \$100, max \$140
<b>Specialty</b>	<b>40%</b> min \$75, max \$150	



# Out-of-Pocket Maximums

	CDHP 1		CDHP 2		Traditional PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Single	\$4,000		\$3,000		\$2,000	\$4,000
Family	\$8,000		\$6,000		\$4,000	\$8,000



# Important Resources

## State Personnel Benefits Hotline:

Local: 317-232-1167

Toll free: 877-248-0007

## Online Resources:

[www.in.gov/spd/2589.htm](http://www.in.gov/spd/2589.htm) (School Corporations)

[www.irs.gov/publications/p969/ar02.html](http://www.irs.gov/publications/p969/ar02.html)

[www.treas.gov](http://www.treas.gov) (Click on Health Savings Accounts)



# Questions?

Please feel free to contact us with any questions you may have.

Thank you very much for your time!